

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**

*Your savings federally insured to \$100,000*

## **NCUA**

*National Credit Union Administration  
a U.S. Government Agency*

## **FINANCIAL HIGHLIGHTS APRIL 30, 2003**

**DENNIS WINANS  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**April 30, 2003**

**Balance Sheet:**

Investments: US Government Securities — increased by \$117.3 million due primarily to the collection of one percent deposit adjustments due from credit unions on April 14.

Other Receivables: Due From Credit Unions — of \$9.7 million represents the amount remaining of one percent deposit adjustments due from credit unions on April 14.

Interest Receivable — net increase of \$12.5 million is due to a combination of \$20.3 million in accrued interest earned in April, \$1.7 million due to purchase of six Treasury notes, and payments of \$9.5 million received by the NCUSIF in April.

Prepaid & Deferred Charges — is \$.3 million for April. \$7.5 million was transferred to the operating fund to cover 62% of the agency's operating costs. April's actual operating costs were \$7.2 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building. The Region V building was paid off on April 30.

Provision for Credit Union Losses (Reserves) — of \$56.5 million includes new reserves of \$2.5 million that were added for April.

NCUSIF Equity — remained at 1.31% for April, based upon an insured share base of \$442.5 billion for December 31, 2002.

**Statement of Revenue and Expense:**

Investment Income — is approximately \$781.4 thousand less than the previous month due to one less calendar day in April for which interest was accrued.

NCUSIF Total Operating Expense — of \$7.5 million includes \$307.3 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$2.5 million for April. \$1.5 million is an increase to the National Pool Reserve and \$1 million is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
BALANCE SHEET  
APRIL 30, 2003

ASSETS	APRIL 2002	MARCH 2003	APRIL 2003
Investments:			
U.S. Government Securities	\$5,229,679,015.98	\$5,612,486,624.10	\$5,729,748,104.16
Advances to Credit Unions:			
Capital Notes (NCUSIF Subordinated Notes)	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	7,249,225.80	131,923,614.84	9,651,152.61
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	10,020,542.30	13,932,807.42	12,981,021.25
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Total Other Receivables	17,269,768.10	145,856,422.26	22,632,173.86
Cash	683,890.11	5,486.54	63,206.43
Interest Receivable	88,023,697.03	61,810,970.75	74,297,230.91
Prepaid & Deferred Charges	552,885.53	(247,654.67)	329,199.56
Leased Assets	545,964.84	7,269.88	1,212,910.74
Other	30,092,317.17	28,638,234.48	27,298,420.88
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TOTAL ASSETS	\$5,366,847,538.76	\$5,848,557,353.34	\$5,855,581,246.54
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 LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,145,707.26	\$5,805,117.12	\$5,678,950.59
Other	13,377.86	9,915.71	2,165.28
Check Clearing Accounts	45,636.59	151,989.27	40,823.23
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	5,204,721.71	5,967,022.10	5,721,939.10
Provision for CU Losses (Reserves)	50,195,085.38	54,626,425.32	56,508,458.43
Lease Liabilities	478,341.04	0.00	1,135,927.33
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TOTAL LIABILITIES	\$55,878,148.13	\$60,593,447.42	\$63,366,324.86 1/
 EQUITY			
CU Contributed Capital	\$4,041,738,815.66	\$4,430,527,318.86	\$4,430,941,766.36
Retained Earnings	1,269,230,574.97	1,357,436,587.06	1,361,273,155.32
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TOTAL EQUITY	\$5,310,969,390.63	\$5,787,963,905.92	\$5,792,214,921.68
TOTAL LIABILITIES & EQUITY	\$5,366,847,538.76	\$5,848,557,353.34	\$5,855,581,246.54
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending April 30, 2003

	APR 02	MAR 03	APR 03
1. Investments/Total Assets	97.44%	95.96%	97.85%
2. Total Equity/Insured Shares	1.31%	1.31%	1.31%
3. Prov. for Losses/CU Capital	1.24%	1.23%	1.28%
4. Non-Earning/Total Assets	2.00%	3.55%	1.68%
5. Available Asset Ratio	1.28%	1.25%	1.25%

1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$750 thousand in outstanding line of credit guarantees.

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING APRIL 30, 2003

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	FY TO DATE 2003	FY TO DATE BUDGETED 2003	FY TO DATE 2002
Investment Income	\$13,752,482.95	\$14,100,000.00	\$58,074,489.97	\$59,000,000.00	\$72,426,968.49
Other Income	70,173.63	75,000.00	306,998.63	315,000.00	434,719.48
<b>Total Income</b>	<b>13,822,656.58</b>	<b>14,175,000.00</b>	<b>58,381,488.60</b>	<b>59,315,000.00</b>	<b>72,861,687.97</b>
<b>EXPENSE</b>					
Employee Pay	4,345,075.89	4,646,477.03	17,848,719.26	18,170,607.58	17,333,719.51
Employee Benefits	1,334,751.14	1,141,431.42	4,145,031.32	4,468,890.06	4,078,595.67
Employee Travel	601,568.60	660,211.55	1,661,640.65	2,640,846.18	1,811,089.20
Rent/Communications/Utilities	198,761.86	227,221.49	737,520.54	908,885.96	654,763.36
Administrative Costs	382,608.52	587,928.34	1,821,568.49	2,351,713.37	1,777,223.56
Contracted Services	308,034.43	350,523.95	667,456.64	1,402,095.78	759,611.38
Subtotal NCUA Operating Exp.	7,170,800.44	7,613,793.78	26,881,936.90	29,943,038.93	26,415,002.68
AMAC Expense	12,668.37	1,250.00	22,788.89	5,000.00	4,517.51
Training Expense	241,622.55	100,000.00	558,620.81	400,000.00	257,176.45
Leasing Expense	36,160.00	49,400.00	181,522.13	197,600.00	212,636.48
Other Insurance Expense	16,836.96	17,500.00	67,997.08	70,000.00	70,434.04
<b>Total Operating Exp.</b>	<b>7,478,088.32</b>	<b>7,781,943.78</b>	<b>27,712,865.81</b>	<b>30,615,638.93</b>	<b>26,959,767.16</b>
Insurance Loss	2,508,000.00	2,000,000.00	9,322,600.00	8,000,000.00	0.00
<b>Total Expense</b>	<b>9,986,088.32</b>	<b>9,781,943.78</b>	<b>37,035,465.81</b>	<b>38,615,638.93</b>	<b>26,959,767.16</b>
<b>NET INCOME</b>	<b>\$3,836,568.26</b>	<b>\$4,393,056.22</b>	<b>\$21,346,022.79</b>	<b>\$20,699,361.07</b>	<b>\$45,901,920.81</b>
<b>Retained Earnings, Beginning of Year</b>					
			\$1,339,927,132.53		\$1,223,328,654.16
<b>Prior Year Adjustment</b>					
			0.00		0.00
<b>As Restated</b>					
			1,339,927,132.53		1,223,328,654.16
<b>Net Income</b>					
			21,346,022.79		45,901,920.81
<b>Dividends</b>					
			1,361,273,155.32		1,269,230,574.97
			0.00		0.00
<b>Retained Earnings, End of Year</b>					
			\$1,361,273,155.32		\$1,269,230,574.97

Comparative Analysis of NCUSIF Ratios for April 30, 2003

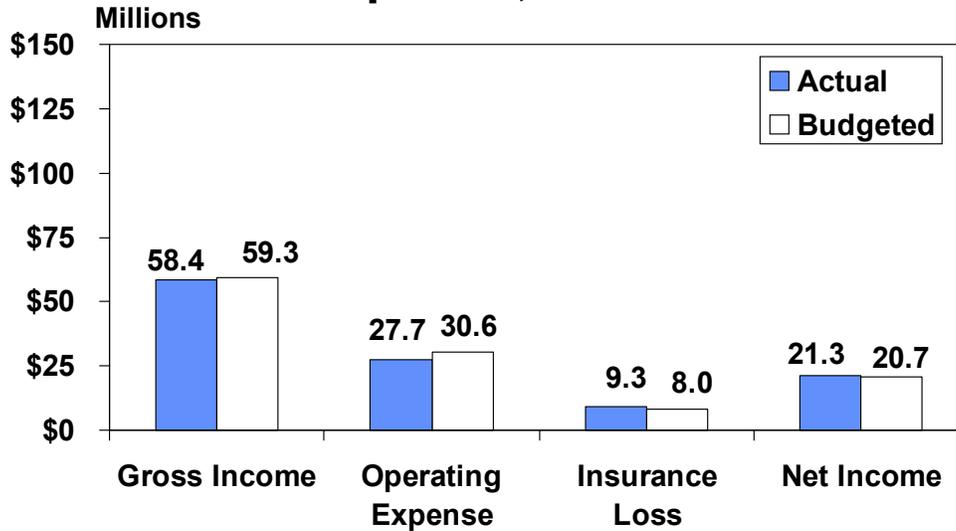
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR FYTD	CURRENT FYTD
1. Oper. Exp./Total Income	54.50%	54.10%	37.00%	47.47%
2. Ins. Loss/Total Income	12.83%	18.14%	0.00%	15.97%
3. Total Exp./Total Income	67.33%	72.24%	37.00%	63.44%
4. Net Income/Total Income	32.67%	27.76%	63.00%	36.56%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**April 30, 2003**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$52,950,105.78
Other income received	306,998.63
Cash paid for operating expenses	(37,812,629.74)
Net cash (paid) received for insurance losses	<u>10,852,190.16</u>
Net cash provided by operating activities	26,296,664.83
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(185,795,555.70)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>1,734,264.74</u>
Net cash provided by (used in) investing activities	(184,061,290.96)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	157,822,025.21
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	157,822,025.21
NET INCREASE (DECREASE) IN CASH	57,399.08
CASH, BEGINNING OF YEAR	5,807.35
CASH, ENDING APRIL 30, 2003	<u><u>\$63,206.43</u></u>

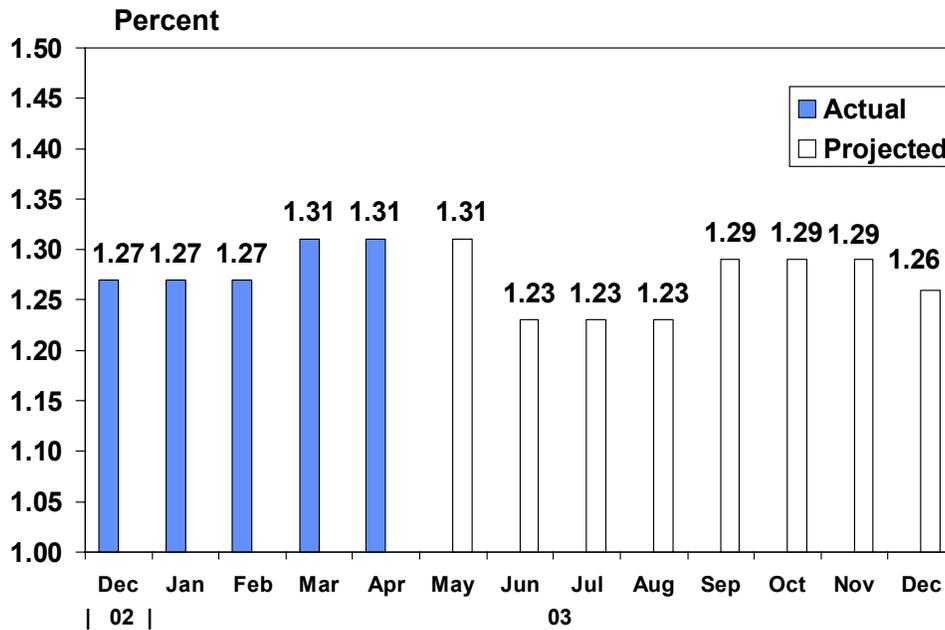
# REVENUE AND EXPENSE

April 30, 2003



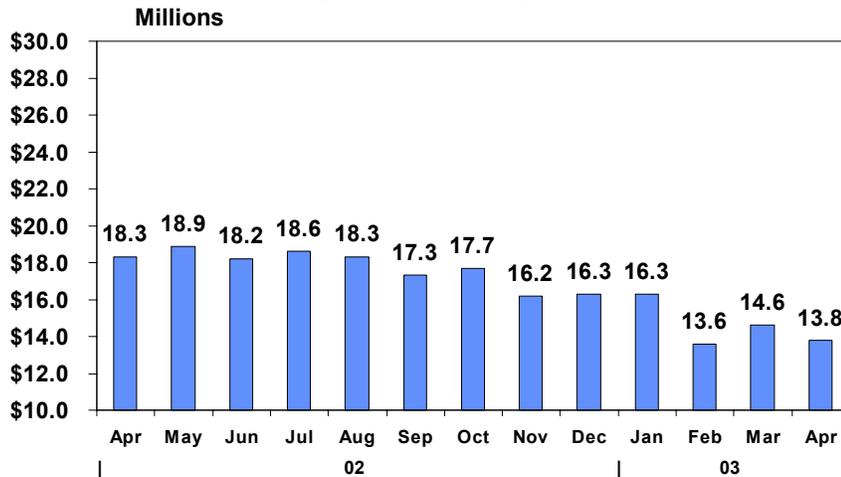
# NCUSIF EQUITY RATIO

April 30, 2003



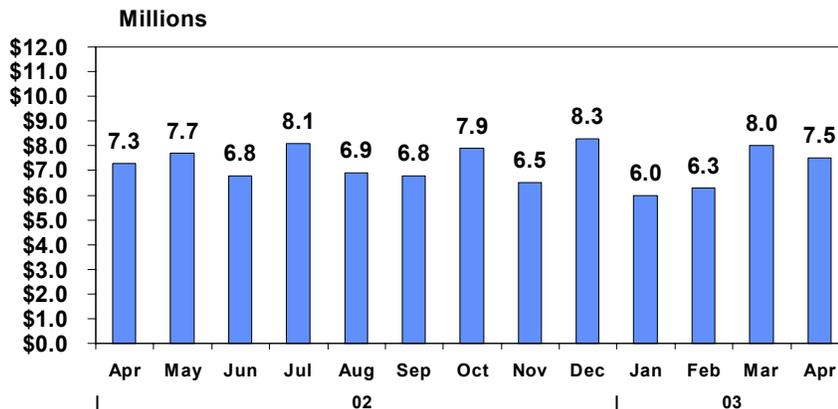
# GROSS INCOME

April 02 – April 03



# OPERATING EXPENSES

April 02 – April 03



# INSURANCE LOSSES

April 02 – April 03

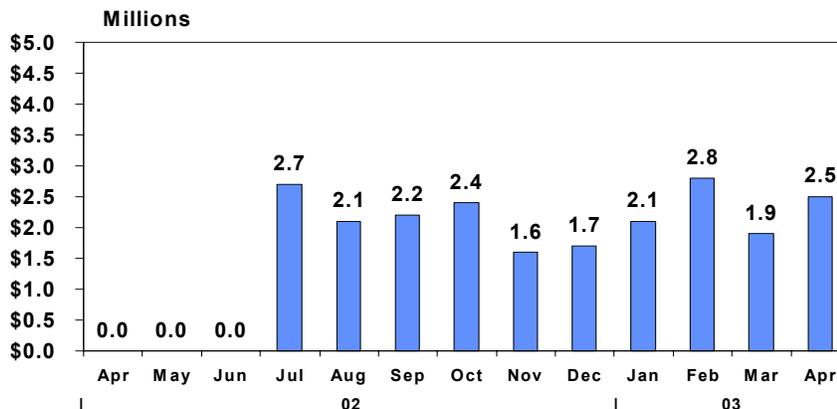


TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**

April 30, 2003

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE</b>					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,322,728,000	\$1,322,728,000	\$0	100.0%	1.24%
U.S. Treasury Notes	\$4,407,020,104	\$4,473,062,500	\$66,042,396	101.5%	3.27%
<b>TOTAL</b>	<b>\$5,729,748,104</b>	<b>\$5,795,790,500</b>	<b>\$66,042,396</b>	<b>101.2%</b>	<b>2.80%</b>

<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>				
	Last Month	Current Month	CY To Date	CY03 Projections
Investment Yield	3.01%	2.88%	3.10%	3.00%
Investment Income	\$14,533,893	\$13,752,483	\$58,074,490	172 Million
Income Budgeted	\$14,100,000	\$14,100,000	\$59,000,000	172 Million
Income/Budgeted Ratio	103.1%	97.5%	98.4%	100.00%
Avg. Maturity in Days	331	345	345	

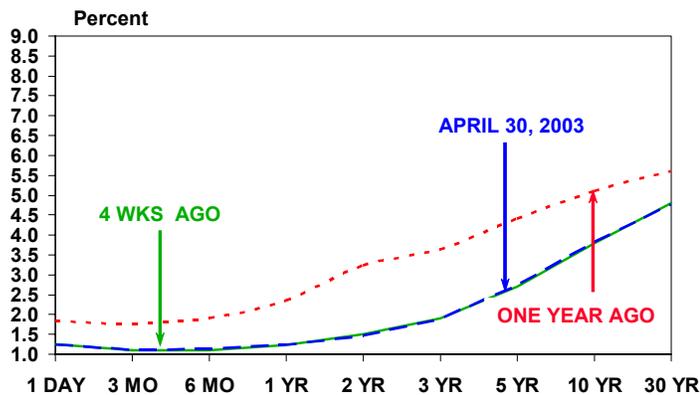
  

<b>III. MONTHLY ACTIVITY</b>				
Purchase	Type	Amount	Maturity	Yield
4/8/2003	T-Note	\$200,000,000	7/31/2004	1.30%
4/8/2003	T-Note	\$100,000,000	9/30/2004	1.37%
4/8/2003	T-Note	\$100,000,000	12/31/2004	1.48%
4/8/2003	T-Note	\$100,000,000	1/31/2005	1.52%
4/8/2003	T-Note	\$100,000,000	3/31/2005	1.58%
<b>TOTAL</b>		<b>\$600,000,000</b>		

<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
3 months or less	1,722.7
3 months - 1 year	1,600.0
1 year - 2 years	2,100.0
2 years - 3 years	200.0
3 years - 4 years	0.0
<b>TOTAL</b>	<b>5,622.7</b>

**TREASURY YIELD CURVE**



**MATURITY SCHEDULE**

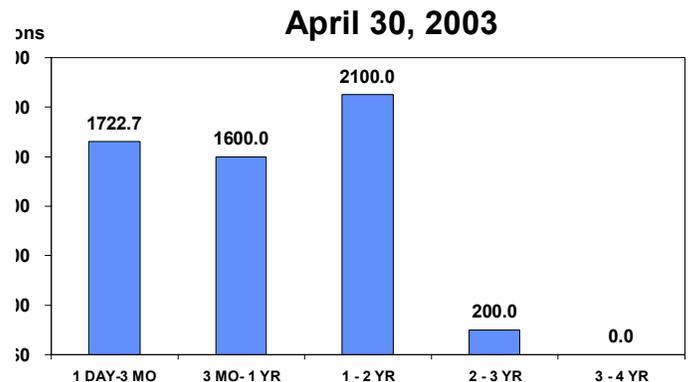


TABLE 5

INTEREST RATE COMPARISONS

April 30, 2003

INTEREST RATE COMPARISONS								
	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
NCUSIF Yield	3.92%	3.71%	3.51%	3.37%	3.40%	3.12%	3.01%	2.88%
90 day T-Bill	1.57%	1.50%	1.21%	1.19%	1.17%	1.19%	1.11%	1.11%
1 year T-Bill	1.61%	1.52%	1.56%	1.36%	1.36%	1.30%	1.24%	1.24%
2 year T-Note	1.76%	1.68%	2.06%	1.64%	1.73%	1.54%	1.50%	1.47%
30 year T-Note	4.81%	5.11%	5.04%	4.81%	4.87%	4.69%	4.81%	4.75%

**INTEREST RATE COMPARISONS**  
**April 30, 2003**

